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27 July 1959

MEMORANDUM FOR THE DIRECTOR

SUBJECT: HIR 13-59: COMMUNIST CHINA

BACKGROUND

1. This estimate was initiated as part of the regular estimates schedule, UNID-D-14.1/2 (30 December 1958), item 19, and was originally scheduled for completion in June 1959. The UNID subsequently directed that HIR 13-59 be completed in July.

CONCLUSIONS

2. No major differences of view were encountered in the preparation of this paper. The representatives generally agreed that the regime faces great problems, but will probably be able to cope with them and that Communist China's power will probably increase considerably in the next five years. It is noteworthy that the State representatives, throughout the coordination process, inclined toward higher estimates of probable Chinese Communist

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economic achievements and prospects than this office, O/IA, and the other agency representatives. However, State bought the lower, O/IA, figures which are the basis of the NIE's economic discussion. No dissents at the USIB are anticipated, although Army may question the last sentence of paragraph 73, which deals with possible Soviet concern that, in the long-run, a Chinese Communist nuclear weapons capability might even threaten USSR itself. We would, of course, prefer that the present text's treatment remain unchanged.

FOR THE BOARD OF NATIONAL ESTIMATES:

HERMAN KENT
Assistant Director
National Estimates